



Texas Department of Insurance

Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645

512-804-4000 telephone • 512-804-4811 fax • www.tdi.texas.gov

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name and Address

NORTH GARLAND SURGERY CENTER
7150 NORTH GEORGE BUSH FRWY SUITE 101
GARLAND TX 75044

Respondent Name

FIDELITY & GUARANTY INSURANCE

Carrier's Austin Representative Box

Box Number 19

MFDR Tracking Number

M4-11-2894-01

MFDR Date Received

APRIL 26, 2011

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Claim was not paid according to the ASC Fee Schedule."

Amount in Dispute: \$996.07

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Carrier has directed its bill review vendor to again audit the bill based on the information is the Requestor's DWC-60 filing. If that review results in additional reimbursement, Carrier will supplement this response with that information."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
January 10, 2011	ASC Services for CPT Code 25111	-\$10.91	\$996.07
	ASC Service for CPT Code 25111-59	\$1,037.55	
	ASC Services for CPT Code 25000	-\$5.44	
	ASC Services for CPT Code 20600	-\$25.13	
TOTAL		\$996.07	

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving a medical fee dispute.
2. 28 Texas Administrative Code §134.402, titled *Ambulatory Surgical Center Fee Guideline*, effective August 31,

2008, sets out the reimbursement guidelines for ambulatory surgical care services.

3. The services in dispute were reduced/denied by the respondent with the following reason codes:

Explanation of benefits

- 45-Charges exceed your contracted/legislated fee arrangement.
- 59-Processed based on multiple or concurrent procedure rules.
- W1-Workers compensation state fee schedule adjustment.
- BL-To avoid duplicate bill denial, for all recon/adjustments/additional pymnt requests, submit a copy of this EOR or clear notation that a rec.
- 45, 59, W1, BL-This line was included in the reconsideration of this previously reviewed bill.
- BL-This bill is a reconsideration of a previously reviewed bill.
- BL-Additional allowance is not recommended as this claim was paid in accordance with state guideline, usual/customary policies, or the.

Issues

1. Was the requestor overpaid for CPT code 25111?
2. Does the submitted documentation support that a contractual agreement issue exists in this dispute?
3. Is the requestor entitled to reimbursement for CPT code 25111-59?
4. Was the requestor overpaid for CPT code 25000?
5. Was the requestor overpaid for CPT code 20600?

Findings

1. 28 Texas Administrative Code §134.402(d) states “ For coding, billing, and reporting, of facility services covered in this rule, Texas workers' compensation system participants shall apply the Medicare payment policies in effect on the date a service is provided with any additions or exceptions specified in this section.”

CPT code 25111 is defined as “Excision of ganglion, wrist (dorsal or volar); primary.”

According to the explanation of benefits, the respondent paid CPT code 25111 based upon reason code “W1.”

A review of the Operative Report states “Dorsal ganglion excision, right wrist (separate incision required).”

28 Texas Administrative Code §134.402(f)(1)(A) states “The reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the *Federal Register*. Reimbursement shall be based on the fully implemented payment amount as in ADDENDUM AA, ASC COVERED SURGICAL PROCEDURES FOR CY 2008, published in the November 27, 2007 publication of the *Federal Register*, or its successor. The following minimal modifications apply: (1) Reimbursement for non-device intensive procedures shall be: (A) The Medicare ASC facility reimbursement amount multiplied by 235 percent.”

According to Addendum AA, CPT code 25111 is a non-device intensive procedure.

The City Wage Index for Garland, Texas in Dallas County is 0.9860.

The Medicare fully implemented ASC reimbursement for code 25111CY 2011 is \$890.10.

To determine the geographically adjusted Medicare ASC reimbursement for code 25111:

The Medicare fully implemented ASC reimbursement rate of \$890.10 is divided by 2 = \$445.05

This number multiplied by the City Wage Index is $\$445.05 \times 0.9860 = \438.81 .

Add these two together $\$438.81 + \$445.05 = \$883.86$.

To determine the MAR multiply the geographically adjusted Medicare ASC reimbursement by the DWC payment adjustment factor of 235%

$\$883.86 \times 235\% = \$2,077.07$. The respondent paid \$2,085.98. The difference between the MAR and amount paid is an overpayment of \$8.91.

2. According to the explanation of benefits, the respondent denied reimbursement for CPT code 25111-59 based upon reason code “45.”

According to the explanation of benefits, the carrier paid the services in dispute in accordance with a contracted or legislated fee arrangement. The "PPO DISCOUNT" amount on the submitted explanation of benefits denotes a "0.00" discount. The Division finds that documentation does not support that the services were discounted due to a contract; therefore, reimbursement for the services will be reviewed in accordance with applicable division rules and guidelines

3. CPT code 25111-59 is defined as "Excision of ganglion, wrist (dorsal or volar); primary."

The requestor appended modifier "-59" to denote that this procedure was separate from CPT code 25111.

Modifier "-59" is defined as "Under certain circumstances, it may be necessary to indicate that a procedure or service was distinct or independent from other non-E/M services performed on the same day. Modifier 59 is used to identify procedures/services, other than E/M services, that are not normally reported together, but are appropriate under the circumstances. Documentation must support a different session, different procedure or surgery, different site or organ system, separate incision/excision, separate lesion, or separate injury (or area of injury in extensive injuries) not ordinarily encountered or performed on the same day by the same individual. However, when another already established modifier is appropriate it should be used rather than modifier 59. Only if no more descriptive modifier is available, and the use of modifier 59 best explains the circumstances, should modifier 59 be used."

A review of the Operative Report states "Volar ganglion excision, right wrist (separate incision required)." Therefore, the requestor supported the use of modifier "-59" and reimbursement is recommended.

As stated above, the MAR is \$2,077.07; however, CPT code 25111 is subject to multiple procedure discounting for the secondary procedure. Therefore, $\$2,077.07 \times 50\% = \$1,038.53$.

4. CPT code 25000 is defined as "Incision, extensor tendon sheath, wrist (eg, deQuervains disease)."

According to the explanation of benefits, the respondent paid CPT code 25000 based upon reason code "59."

According to Addendum AA, CPT code 25000 is a non-device intensive procedure.

The City Wage Index for Garland, Texas in Dallas County is 0.9860.

The Medicare fully implemented ASC reimbursement for code 25000 CY 2011 is \$890.10.

To determine the geographically adjusted Medicare ASC reimbursement for code 25000:

The Medicare fully implemented ASC reimbursement rate of \$890.10 is divided by 2 = \$445.05

This number multiplied by the City Wage Index is $\$445.05 \times 0.9860 = \438.81 .

Add these two together $\$438.81 + \$445.05 = \$883.86$.

To determine the MAR multiply the geographically adjusted Medicare ASC reimbursement by the DWC payment adjustment factor of 235%

$\$883.86 \times 235\% = \$2,077.07$. CPT code 25000 is subject to multiple procedure rule discounting; therefore, $\$2,077.07 \times 50\% = \$1,038.53$. The respondent paid \$1,042.99. The difference between the MAR and amount paid is an overpayment of \$4.46.

5. CPT code 20600 is defined as "Arthrocentesis, aspiration and/or injection; small joint or bursa (eg, fingers, toes)."

According to the explanation of benefits, the respondent paid CPT code 20600 based upon reason code "59."

According to Addendum AA, CPT code 20600 is a non-device intensive procedure.

The City Wage Index for Garland, Texas in Dallas County is 0.9860.

The Medicare fully implemented ASC reimbursement for code 20600 CY 2011 is \$21.44.

To determine the geographically adjusted Medicare ASC reimbursement for code 20600:

The Medicare fully implemented ASC reimbursement rate of \$21.44 is divided by 2 = \$10.72

This number multiplied by the City Wage Index is $\$10.72 \times 0.9860 = \10.56 .

Add these two together $\$10.72 + \$10.56 = \$21.28$.

To determine the MAR multiply the geographically adjusted Medicare ASC reimbursement by the DWC payment adjustment factor of 235%

\$21.28 X 235% = \$50.00. CPT code 20600 is subject to multiple procedure rule discounting; therefore, \$50.00 X 50% = \$25.00. The respondent paid \$26.13. The difference between the MAR and amount paid is an overpayment of \$1.13.

The difference between the amount due and overpayment is \$1,024.03. The requestor is seeking dispute resolution in the amount of \$996.07. This amount is recommended for reimbursement.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$996.07.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby **ORDERS** the respondent to remit to the requestor the amount of \$996.07 plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this Order.

Authorized Signature

_____	_____	<u>07/17/2013</u>
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision* together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party.****

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.